

**APPROVED**  
9-21-2011

**EASTPORT CITY COUNCIL  
REGULAR MEETING  
WEDNESDAY, AUGUST 10<sup>TH</sup>, 2011  
6:00 P.M. - SHEAD HIGH SCHOOL**

**1. CALL TO ORDER**

The meeting was called to order at 6:00 p.m. by Council President, Robert Peacock. Those in attendance and present were: Councilor Paul Critchley, Councilor Mike Cummings, Councilor John Miller, Councilor Dave Morang, and Council President, Robert Peacock. Also in attendance was City Manager, Jon Southern, and City Clerk, Ella Kowal.

**2. ADJUSTMENTS TO AGENDA**

MOTION MILLER SECOND CRITCHLEY  
To add Steve Trieber to this evening's agenda under airport business to address the Council and to also make an adjustment to the agenda for an update from ORPC which will be Item #3A.

PASSED 5-0

**3. MINUTES OF PREVIOUS MEETINGS**

MOTION MORANG SECOND MILLER  
To accept the Council minutes for the June 8<sup>th</sup>, 2011 meeting as submitted by the City Clerk, Ella Kowal.

PASSED 5-0

MOTION MILLER SECOND CRITCHLEY  
To accept the Council minutes for the July 19<sup>th</sup>, 2011 meeting as submitted by the City Clerk, Ella Kowal.

PASSED 5-0

MOTION CRITCHLEY SECOND MILLER  
To accept the Council minutes for the July 11<sup>th</sup>, 2011 meeting as submitted by the City Clerk, Ella Kowal.

PASSED 5-0

Chairman of Council, Robert Peacock, takes a moment to recognize and thank Jim Mitchell and Curtis Libby in assisting with a missing pontoon boat from Lubec owned by George Olson.

### 3A. ORPC UPDATE

John Ferland reads a letter dated August 5<sup>th</sup>, 2011 that was sent to the Council and continues forward with a brief review and update of their tidal energy project. *(A copy of said letter is provided to the City Clerk for filing with the Council minutes).* Mr. Ferland closes with letting us know of a **public open house** on Friday, August 12th downtown at the fish pier on the breakwater side from 11:00 a.m. to 6:00 p.m.

Council President, Robert Peacock, asked Mr. Ferland if Perry Marine Construction would still be building the base units at the BASF Corporation. He responded that they would initially be doing some work there and that some of it would be outside work as well as inside work and he also highlights on the need for storage. Bob Lewis informs that Perry Marine Construction is currently assessing facility plans and are in the process of finalizing those. For the most part, Mr. Ferland, advises that work would be done at tandem depending on the need as well as water access. Council President asks of the City Manager the time table with respect to the Mill. The City Manager informs the Council that it was his understanding that PMC would be in there this fall. John Ferland then speaks relative to their deadline for production and that this timeline would be consistent with PMC's occupancy and highlights that it will show good faith with respect to the grant and the EDA. Councilor Cummings asks about the decision of usage for the Mill. Council President and the City Manager advises him that this decision took place last year as part of the application process. Councilor Miller asks of John Ferland about work being done by Hall Spars & Rigging in Southern Maine and if that is work that could be done here. Mr. Ferland responds that the first units will come out of Rhode Island but believes that the supply chain has been established between Southern Maine and Eastern Maine and hopes to see units in Maine sometime 2012 and 2013. Councilor Cummings addresses Mr. Ferland with regard to their investors. Mr. Ferland shares that they do have private sectors but that we can refer to Caithness Energy Development and that ORPC also applies for Federal and State research development funding. Council President thanks Mr. Ferland for the update and the opportunity for Eastport to be considered.

#### 4. DEPARTMENT REPORTS

##### A. FINANCIAL REPORT

MOTION CRITCHLEY SECOND MILLER

To accept the **Financial Report** for **July, 2011** as presented.

PASSED 5-0

##### B. CODE ENFORCEMENT REPORT & ASSESSOR REPORTS

MOTION MORANG SECOND MILLER

To accept the **Code Enforcement Officer/Assessor Report** for **July, 2011** as presented.

PASSED 5-0

Council President advises that there are pictures of the proposed Two Graces Design by Jim Boyd available for review of the sculpture. He then offers Hugh French to speak in this regard. He informs the Council it will be made of Maine Granite and that this is a revised drawing. Councilor Miller asks if one side is the leaf and the other is a sail and Mr. French confirmed that this is so. A display and presentation was given on July 28<sup>th</sup>. Council President asked of Mr. French the date of completion. He responded that it is expected to be somewhere between the middle to the end of September.

##### C. POLICE DEPARTMENT REPORT

The City Manager reads the report as submitted and requests Council consideration of an increase to parking fees as read.

Council Critchley asks the City Manager about addressing no all night parking. He makes reference to a parking area behind the Post Office that is not well known. Councilor Miller reminds them that there are people who live downtown and need a place to park. The City Manager informs the Council that there are "2-Hour parking signs" on order as well as "dog poop signs". The City Manager affirms that signs will be posted with respect to City parking. Legal Counsel, Dennis Mahar, reminds the Counsel that this is reflective of an ordinance change and would required a Public Hearing.

MOTION CRITCHLEY SECOND MILLER

To schedule a Public Hearing on September 14<sup>th</sup>, 2011 for a Parking Ordinance amendment for consideration of an increase to parking fees.

PASSED 5-0

MOTION      MILLER                      SECOND      CUMMINGS  
To accept the **Police Department Report** for **July, 2011** as presented.

PASSED      5-0

#### **D. PUBLIC WORKS REPORT**

MOTION      MORANG                      SECOND      CRITCHLEY  
To accept the **Public Works Department Report** for **July, 2011** as presented.

PASSED      5-0

#### **E. SEWER REPORT**

In addition to the reading of the Sewer report by the City Manager, he advises the Council that he and Howie Johnson went to Trenton to purchase a very good used septic sewer pump truck that is much needed not mention what it will provide in cost savings. It was purchased through Economic Development from the sale of City properties such as the South Street property and the Third Street property. No tax revenue monies were used towards the purchase. It is presently being rented for two days to the Water company so revenue is already being generated. Over time, between cost savings and revenue; it will pay for itself.

MOTION      CRITCHLEY                      SECOND      MILLER  
To accept the **Sewer Operations Report** for **July, 2011** as presented.

PASSED      5-0

### **5.      BOARDS and COMMITTEES - REPORTS and APPOINTMENTS**

#### **A.      PLANNING BOARD (NONE)**

#### **B.      ZONING BOARD OF APPEALS (NONE)**

#### **C.      HISTORIC REVIEW BOARD (NONE)**

## D. AIRPORT

Steve Trieber, Airport Manager, addressed the Council with concerns of what he believes to be misconceptions of the City budget with respect to the airport of what he believed to be advertised as \$50-60K. He states that he does hear from some citizens of Eastport and that some believe there is no economic re-value to the City nor does he agree with the drastic increase in the budget. He has done some research of his own concerning the City budget on the airport and gathered information from City Hall and believes there to be discrepancies in the accounting practices that the City uses and his based on grant assurances that the City makes to the Federal government. That being said, he believes this is why his numbers do not agree with the City's figures. He advises the Council that he has reconstructed an airport budget based on the information gathered and that this is available for their review. The fuel farm project started with Bud and has transitioned over to Jon and has gotten better with the accounting of the revenue for the airport but still has a long ways to go to comply with the grant assurances. He offers his knowledge to those who have an interest of understanding more about the grant assurances. Mr. Trieber then gives an overview of the functions of the airport, past and present. He begins by explaining that there is an airport association and that some of those members involve ones who are tenants and lease hangars and some also pay a property tax on the buildings. This association has supported the operation of the airport and continues to do so where possible. To date, the association deals with 90% of the issues and it includes the upkeep and maintenance at no cost to the City. The maintaining of the grounds are also done through the volunteerism of the association. He also refers to hard dollars in support of the airport from the association in the repair of the lights, water system, fencing; as well as the upkeep of mowing and keeping the grounds clean. He speaks of an upcoming grant that is for the repair of the runway of which the Association has committed to contributing \$4,000 of their funds for this project. Thus, other than the fuel system; the Association has continued with their support and participation (financial and otherwise) in the operation of the airport. As for the financial end of things with the airport, his figures do not agree with the City's or the budget as his numbers come out in the black – not by much – but in the black. He further shares that he does not understand how anyone could think that the airport is not an asset to the City and claim it to be a liability. He reflects that, presently, businesses such as ORPC, the Port, and Cooke Aquaculture bring to the City investors through the airport. Past recollections are entities that had dealings with businesses at the Mill and they too had access to coming into the City by the airport. It is his wish for those that may be on the fence about the viability of the airport to reconsider that it moves people and cargo which, in turn, generates positive opportunities. Therefore, he does not feel the City would be better off without an airport. He further continues by emphasizing that some day the need could arise for services in the matter of a national emergency disaster and the airport would be beneficial for the transporting phase whether it be medical or otherwise. He also makes reference to a service that is based here referred to as *Angel Flight* whereby Gene Richardson has

provided 100 calls over a time period of a year and a half for those with cancer that are less than fortunate to be able to afford such transportation services when in need and time is of the essence. It is Mr. Trieber's desire to educate the Council and the public of what it truly costs the City in the operation of the airport and that it is a valuable asset to the City. Councilor Morang asked of Mr. Trieber if he could explain how the grant assurances work. Mr. Trieber responded that although he is not an expert on it he would do what he could but with the assistance of some of the members of the Association that are in the audience. Mr. Trieber states that the grants can run anywhere from 10-20 years. Bob Kennedy reminds Mr. Trieber that Dennis Turner is in the audience and that he could share some information as well in terms of paybacks. If the people did choose to close the airport, then there would be a percentage of a payback with respect to the grant monies. The Council is of the understanding that all revenues generated from the airport must be recorded as going back into the airport to cover the City's responsibility with respect to their grant assurances. The Council President speaks on behalf of the Council and extends appreciation for all that the Association does as well as the volunteers and that it does not go unnoticed. Mr. Peacock continues further to explain that the City Manager made it clear during the budget process that this figure is not what it was costing the City but to pass the fuel through and that the airport does break even in operation. The misunderstanding of these numbers are detrimental to the image that is portrayed about the airport. Inquiries are encouraged for those citizens that have reservations and need clarification. The City Manager advises that County funding is not available this year.

**E. HARBOR (NONE)**

Although there is no report, Council President informs that monies are appropriated for the repair of one pier as a replacement and that this is presently taking place. They will rotate as they go along.

**F. MARINE RESOURCE (NONE)**

**G. RECYCLING (NONE)**

**H. DOWNTOWN ADVISORY BOARD (NONE)**

**I. EASTPORT FOR PRIDE (NONE)**

## **J. PORT REPORT**

Council President reports that there is a ship in for cows now and that there are five ships on the board for wood pulp and cows for the next month. As for the conveyor system, it is 25% complete. Paving will hopefully start soon and be complete by our next Council meeting. He also informs the Council that the mountain of gravel is three quarters gone and is hoping for it to be completely gone by October 1<sup>st</sup>. This has brought some income to offset the cost of making the mountain at \$10.00 a cubic yard.

## **K. AMBULANCE**

Councilor Cummings informs the Council that there is a meeting scheduled for Thursday, August 11<sup>th</sup>. The City Manager asks Councilor Cummings if he would like to review figures. He said there was nothing definite at this time, but that he would ask the Council to consider paying a ¼ of the City's \$95,000 stipend which calculates to be \$23,750. At the most recent finance meeting it was determined to request the stipend quarterly but that any monies able to be expended prior to that would be accepted and appreciated. Councilor Morang addresses Councilor Cummings and asks about the stability of the ambulance and where it stands now. Without saying one way or the other until they meet, he does share that things seem a bit better at the moment and can see ahead for about two weeks but they are working towards longevity. The City Manager reminds the Council that a lot of the issues are the speed which they receive Medicaid and Medicare reimbursements. The City Manager reflects that as of July 19<sup>th</sup>, the outstanding amount in Accounts Receivable is \$569,663 of which they expect to receive 50% in reimbursement which calculates to be \$284,831 over the next few months. He further adds that there are a total of 47 employees with Downeast EMS and that their annual runs total approximately 1,500. The City Manager updates the Council that he and Councilor Cummings and former Councilor Earl Small are attending meetings to work towards restructuring as well as addressing financial issues. Once they have met, they will continue to update the Council accordingly. Assurance was given that Eastport would continue to maintain an ambulance service.

## **6. SCHEDULE PUBLIC HEARINGS**

MOTION CRITCHLEY SECOND MILLER

To schedule a Public Hearing on September 14<sup>th</sup>, 2011 for a Parking Ordinance Amendment with respect to an increase of parking fees.

PASSED 5-0

**7. EXTENSION OF ON PREMISE PERMIT – PARKING LOT -  
SEPT. 9<sup>TH</sup>, 10<sup>TH</sup>, & 11<sup>TH</sup>**

MOTION CUMMINGS SECOND MORANG

To approve the extension of an on premise permit for the parking lot as submitted by Lesley & Jeff Starling d/b/a The Happy Crab for September 9<sup>th</sup>, 10<sup>th</sup>, and 11<sup>th</sup>.

PASSED 5-0

**8. APPROVAL OF TAX COLLECTOR TO ACCEPT “FY2013”  
TAX PREPAYMENTS**

MOTION MILLER SECOND CRITCHLEY

To authorize the Tax Collector to accept tax prepayments for the FY2013 taxes.

PASSED 5-0

**9. SEWER AGREEMENTS**

City Manager addressed Council and requested that this item of the agenda be moved and taken up in Executive Session where it involves personal debt and contracts with the City. Councilor Cummings makes the same request of Item #11. All were in agreement.

**10. ORPC UPDATE**

This item was moved up to Item #3A as approved by Council under Adjustments to Agenda.

**11. 3 MIDDLE STREET – WAYNE APPLETON (TAXES & SEWER)**

Councilor Cummings made referral to move this item up under Executive Session at the same time that they addressed Item #9.

**12. COUNCIL CONSIDERATION – RE: TRAILER ON MITCHELL STREET**

The City Manager updates the Council that the trailer is being prepared for removal but is waiting on a third axle. After assessing the equipment to be used for the removal, the determination was made that it was not safe for the Public Works crew to move it. Therefore, the City Manager asks for the authorization to contract it out for a fee of \$850.00.



MOTION MORANG SECOND MILLER

To authorize the City Manager to move forward with contracting out the removal of said trailer on Mitchell Street for a fee of \$850.00 with the requirement that the provider be insured and bonded.

PASSED 5-0

Councilor Cummings asks the City Manager to explain the purpose of where the trailer is going relative to its new location. The City Manager advises that it is being moved to the Fire Station and will be used to accommodate the ambulance crew which will ultimately help in cost savings on the heating bill. The trailer does need a new roof but can be done Public Works at minimal cost. Councilor Cummings reminds the City Manager that there is also the issue of no air extraction unit at the Fire Station and the trailer will serve as a dual purpose whereby it is beneficial in this regard.

Councilor Cummings addresses the Council with a donation container for a new roof at the Fire Station to the tune of raising \$40,000 and makes the first donation and invites anyone to join in. The City Manager reminds Councilor Cummings that \$40,000 is only an estimate and that this would have to go out to bid.

### 13. CITY MANAGER ISSUES

The City Manager informs the Council that he has already updated the Council on the business of purchasing the Sewer truck and that the remainder of his issues are to be discussed in Executive Session. Council President asks the City Manager if the Husson agreement is to also be addressed in Executive Session and he confirms that it should be.

### 14. OPEN FORUM

Council President recognizes Sherriff Donnie Smith and his Chief Deputy and allows them to address the Council with respect to concerns of the Council expressed at the previous meeting. Sherriff Smith explains that he has looked into such concerns and have found them to be unfounded. He provides the Council with copies of the investigative reports of *Operation Round Up One* and offers the opportunity to discuss these further if the Council so chooses. Council President asked of Sherriff Smith how an investigation could take place when no contact was made with him in this regard. Sherriff Smith responded that this was because he was not present on the scene. Council President reminds Sherriff Smith that he *did not* make an *allegation* but that he had simply asked him a question. The real issue at hand is for the City to receive help from the Sherrif's Department as needed. Vitally important is the cooperation of all the officers and the Sherriff's Department to come together for each other's aide to provide the utmost service and backup. Council President also reminds Sherriff Smith that the

City calls upon the Sherriff's Department occasionally throughout the year at given events that are very busy; and although the Council understands the circumstances and respects the position the department was in this year by not being able to provided coverage....it is the City's hope that the Department will be able to look to the future and be able to provide this necessary coverage and to have a good working relationship with the City. Although we all have budgets to address, the City asks for consideration to be made for upcoming events such as the Salmon Festival and the Pirates Festival. Resources and budgets are tight all over. Sherriff Smith makes the recommendation that they look to the future on these requests to come together and meet in advance for consideration of what is available for coverage. Council thanks Sherriff Smith and his Chief Deputy for take the time to address these concerns at tonight's meeting.

Council President informs the Council and the public that there are two other matters one of which is the agreement between the City and Husson University for the remainder of this year which will be taken up in Executive Session under contractual matters. The other is a letter received from the Friends of the Boat School. He then opens the floor up to Tom Ries to update the Council further. Tom Ries introduces himself as President of the Friends of the Boat School and further speaks to the letter submitted to the Council which is a proposal for the transfer of the land at 16 Deep Cove Road over to the Friends of the Boat School. He continues forth with some history of how the property was acquired as well as history of it as a school. Mr. Ries continues further with the reading of the letter/proposal from the Friends of the Boat School as submitted. The Friends of the Boat School asks for the Council's consideration with respect to their proposal and emphasizes that they would need a decision by August 24<sup>th</sup>, 2011 in order to meet financial and education obligations.

Council President opens the floor up for questions from the Council starting with Councilor Cummings. It is his opinion to put a market value on it and put it up for sale and this is where he stands at this moment and time. Council President addresses Councilor Critchley for his response. He feels it is important for the Council to come together and meet to discuss this further as a body rather than for him to make a personal statement. Councilor Miller is in agreement with Councilor Critchley in that the Council needs to take this under advisement and hold a serious discussion as to what this would mean for the City of Eastport and the taxpayers. Councilor Morang expresses that he would like to see a *business plan* with respect to the proposal being submitted. Tom Ries addresses Councilor Morang and expands further that there are investors and shares some of the changes that could result in cost savings such as taking out the existing boilers and replacing them with gas and restructuring the power plant system; the replacement of doors and windows, etc. removal of the bridges to the power house to cut down on the heat loss. The City Manager advises the Council to set a workshop with a potential business plan brought forth for further discussion. Dean Pike addresses the Council and informs them that himself, Butch Harris, and Ross Furman stand ready with a budget for the first two years and can cover with zero tax dollars. The City Manager asks Dean Pike

to speak relative to accreditation. Dean explains that the Friends of the Boat School is a non-profit organization and as long as they offer vocational, technical, and career training; a license is not required by the State of Maine and accreditation is also not required so long as they do not go with title four. The Friends of the Boat School inform the Council that they have the potential for 10-15 students to begin September classes. Councilor Morang asks how soon they could be ready to meet with respect to a business plan. Council President proposes that they come together and schedule a workshop for Wednesday, August 17<sup>th</sup> at 7:00 p.m. at Shead High School. Council President emphasizes that they have only just received this proposal and have had it in their possession less than 24 hours but acknowledges the importance of the City to come together to discuss this further and in great detail. Councilor Cummings expressed his concern to make a serious decision in such a short amount of time. Councilor Morang felt that the Council should give the proposal consideration by coming together to meet on this as the Friends of the Boat School have come to the City's aide in the past. Councilor Miller expresses an interest in what the Friends of the Boat School will offer in terms of their recruiting plan as a school versus just classes.

Council President requests the Friends of the Boat School prepare to clarify at the workshop to the Council the section of the proposal with respect to what they mean or intend explicitly about the secured debts.

Councilor Miller asks of Dean Pike if they are reaching out to the alumni.

MOTION      MILLER                      SECOND      MORANG  
To schedule a Council workshop for Wednesday, August 17<sup>th</sup>, 2011 at 7:00 p.m. at Shead High School to discuss the future of the facility at 16 Deep Cove Road.

PASSED      5-0

#### **15.    EXECUTIVE SESSION**

MOTION      MILLER                      SECOND      MORANG  
To go into Executive Session to discuss contractual matters under 1 M.R.S.A. § 405(6)(C) one with the City and Husson University and the other being a proposal presented by the Friends of the Boat School; to consult with Legal Counsel with respect to delinquent Sewer agreements and the potential for write offs of tax and sewer relative to the property at 3 Middle Street under 1 M.R.S.A. § 405(6)(E); and to discuss a Personnel matter under 1 M.R.S.A. § 405(6)(A).

PASSED      5-0      TIME: 8:40 P.M.

MOTION CUMMINGS SECOND CRITCHLEY  
To come out of Executive Session.

PASSED 5-0 TIME: 8:58 P.M.

***ACTION TAKEN***

MOTION MORANG SECOND MILLER  
To abate/write off costs related to the ***FY1997 real estate taxes*** for ***account #145*** (also referred to as 3 Middle Street) in the amount of ***\$193.22***.

PASSED 5-0

MOTION CUMMINGS SECOND MILLER  
To eliminate the amount due and billed of ***\$88.68*** on ***Sewer account #387*** (also referred to as 3 Middle Street) as the Sewer was capped off in October, 2006 when purchased by Wayne Appleton.

PASSED 5-0

The City Manager advises that the Council authorizes the Sewer Clerk to send out new letters with respect to delinquent Sewer agreements and to allow them the opportunity to bring them current before proceeding forward with the collection process

**16. ADJOURNMENT**

MOTION CUMMINGS SECOND MILLER  
To adjourn.

PASSED 5-0 TIME: 9:02 P.M.